

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SOLUTIONS
ADMINISTRATOR'S MEMO SERIES

NOTICE 02-09

DATE: 04/09/2002

DISPOSAL DATE: Ongoing

RE: WAA REPORT

To: W-2 Agency Directors
Workforce Development Board Directors
Child Support Agency Directors

From: Mary C. Rowin /s/
Deputy Division Administrator

PURPOSE

The purpose of this memo is to provide information on the Department of Workforce Development's (DWD) report, "Impact of the Workforce Attachment and Advancement (WAA) Program on Earnings and Child Support Collections," submitted to the Wisconsin Legislature's Joint Committee on Finance.

BACKGROUND

1999 Wisconsin Act 9 established the WAA program as a two-year program, with a contract from January 2000 through December 2001. The program, funded through the Temporary Assistance for Needy Families (TANF) block grant, allocated \$19.7 million to Workforce Development Boards (WDBs) and Wisconsin Works (W-2) agencies to provide services to TANF-eligible custodial and noncustodial parents (NCPs) with incomes below 200 percent of the federal poverty level. The original two-year program was extended for an additional six months. New contracts for the period July 1, 2002 through December 31, 2003 include \$7.8 million in funding to W-2 agencies and WDBs.

The focus areas of the WAA program are training, retention and employer services. WAA serves the needs both of employees seeking self-sufficiency through work and employers seeking skilled workers. WAA program resources are used to create and expand innovative services and approaches serving both these purposes. WAA agencies are required to seek extensive input from local stakeholders to tailor program services to meet locally defined needs.

REPORT TO THE LEGISLATURE

In addition to creating the WAA program, 1999 Wisconsin Act 9 also required the Department to evaluate program performance in four specific areas: job placement, job retention, earnings increases, and (for NCPs) increases in child support collections. The Legislature's Joint Committee on Finance adopted motions further that require that the Department track the impact of WAA on participants' earnings and that the Department report these findings to the Joint Committee on Finance.

Prior to the current report, the Department submitted three reports to comply with the performance measurement and tracking requirements. These reports provided an overview of the WAA program, updates on the Department's progress in tracking program performance, and initial results on the first the performance standards - job placement, job retention, and earnings increases. The current report, submitted April 3, 2002, provides two important sets of analysis not included in the previous reports. The first set is an analysis of the impact of the WAA program on earnings. The second is an analysis of the impact of the WAA program on child support collections. The report describes the methodology for each of these analyses as well as the findings related to the program's impact on earnings and child support collections. As noted in the attached Executive Summary, these initial results are positive.

You can access the full report as well as the Institute for Research on Poverty's full report on child support collections via the Department's WAA web site: www.dwd.state.wi.us/waa

Attachment

Regional Office Contact: Area Administrator or Local Program Liaison

***Impact of the Workforce Attachment and Advancement (WAA) Program on Earnings and
Child Support Collections***
Department of Workforce Development
March 2002

Executive Summary

The Workforce Attachment and Advancement (WAA) program provides services in the areas of training, job retention, basic skills development, job placement and other support services designed to help participants find, hold, and advance in employment.

The legislation that created WAA also required the Department to measure program performance in the areas of job placement, job retention, earnings increases, and (for noncustodial parents) increases in child support collections. Subsequent motions by the Legislature's Joint Committee on Finance imposed more specific reporting requirements with respect to participant earnings. The latest in a series of reports pursuant to these requirements, this report provides information about WAA participants' earnings and child support payments.

Among the main findings with respect to participant earnings:

- At the time WAA participants enrolled in the program, their average quarterly earnings had been declining steadily over the previous year.
- WAA participants who had left the program by July 1, 2001 earned more, on average, during the quarter in which they left than during the quarter in which they first enrolled.
- By the second and third quarters after leaving WAA, former participants had average quarterly earnings at least as high as they had experienced in any of the four quarters prior to enrollment in the program.

Among the main findings with respect to child support payments by noncustodial parents (NCPs):

- The average number of NCPs making child support payments in the six months after entering WAA was 5 percent higher than the average for six months prior to entry.
- The average size of child support payments dropped steadily during the five months prior to entry into WAA, then rose during the months after entry to levels similar to the highest pre-entry levels.
- Had the downward pre-WAA trend in average child support payments continued unchanged in the six months after NCPs entered WAA, those payments would have been, on average, between \$57 and \$88 a month lower than NCP participants in WAA were actually paying six months after they began participating.

Although the nature of the data precludes direct correlation between these outcomes and the WAA program, these findings are consistent with the program objective of helping participants better support their families through work. Furthermore, important steps the Department has taken to complete this study, most notably the creation of a data warehouse for relating program performance to earnings outcomes over time, now provide the basis for ongoing reports on program effectiveness.